

From: Ron Bair [Ron.Bair@intusurg.com]
Sent: 8/21/2017 10:09:01 PM
To: Sal Brogna [Sal.Brogna@intusurg.com]
CC: Jamie Samath [Jamie.Samath@intusurg.com]; Bob Desantis [Bob.DeSantis@intusurg.com]; Colin Morales [Colin.Morales@intusurg.com]; Katie Scoville [Katie.Scoville@intusurg.com]
Subject: RE: Cost for Setting up "dragon" business
Attachments: US X&Xi Instrument Collection & Cleaning Cost Model 8.21.17.xlsx

Sal,

Please find attached the cash-basis model for X/Xi instrument reclamation in the US. It reflects an assumption that we would ship into Southaven, then sort, clean, and store in the existing facility. If needed, we can review the model in detail during our meeting tomorrow afternoon (1-1:30pm). The variable inputs are:

- 1) Target collection % (what % of the expired instruments do we hope to collect)
- 2) Site Yield/Compliance % (how often does a targeted site actually place an expired instrument in the bin)
- 3) Return Incentive (currently set at \$30 each, roughly a 1% discount off ASP)
- 4) Re-cleaning Premium Factor (how much additional cleaning costs might we expect to incur if we allow dirty returns; trade-off would be lower return incentive)

If this meets your needs, I can build out the logic for S/Si returns (for logging and disposal), and scope in Europe. Please let me know your thoughts on next steps.

Best,
 Ron

From: Ron Bair
Sent: Friday, August 18, 2017 8:22 AM
To: Sal Brogna
Cc: Jamie Samath; Bob Desantis; Colin Morales; Katie Scoville
Subject: RE: Cost for Setting up "dragon" business

Hi Sal,

The effort is underway, and I will target Monday for a first draft to you/Jamie/Bob/Colin.

Please let me know if you have any issues with the below approach:

- 1) Focus is collection in US and Europe Direct
- 2) S/Si will be collect and destroy
- 3) X/Xi will be collect, clean, and store
- 4) Variable inputs for you all to adjust as needed will be:
 - a. Desired collection volume (% of expired instruments to be recaptured)
 - b. Customer incentive/credit for collection

Thanks,
 Ron

From: Sal Brogna
Sent: Friday, August 18, 2017 8:15 AM
To: Ron Bair

UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF CALIFORNIA
TRIAL EXHIBIT 606
Case No. <u>3:21-cv-03496-AMO</u>
Date Entered <u> </u>
By <u> </u>
Deputy Clerk

Cc: Jamie Samath; Bob Desantis

Subject: Cost for Setting up "dragon" business

Ron,

Do you have the cost estimates for what it would take to set-up an Instrument collection business....By product family, S/Si and X/Xi

We need to know the One time cost and the running cost for this activity. Make the collection fee transparent.

I'd like to get this data no later than Monday if possible.

Thanks

Sal

Document Produced in Native Format